# NFA sales of rice to LGUs may cost gov't as much as P2.25B

PHILIPPINE STAR/MICHAEL VARCAS

By Adrian H. Halili
*Reporter*

THE SALE of rice reserves to local government units (LGUs) during the food security emergency could generate losses of P2.25 billion for the government, the National Food Authority (NFA) said.

In a briefing on Tuesday, NFA acting Department Manager for Operations Roy Q. Untiveros said the expected losses on the price-controlled sales to LGUs could amount to P12 to P15 per kilogram.

The NFA is expected to release 150,000 metric tons or 150 million kilos over the next six months, or about 30,000 MT per month.

The emergency sales of rice call for the tapping of NFA reserves by Food Terminal, Inc. to LGUs, government-owned and controlled corporations (GOCCs), and other agencies.

The NFA Council had approved a resolution allowing the NFA to sell rice stocks to LGUs and other agencies during the food security emergency.

"The NFA will release (rice) to LGUs, GOCCs and others (agencies) who are interested in selling it at P33 per kilogram, and it is suggested to be sold to the public at P35 per kilo," Mr. Untiveros added.

The current selling price is lower compared to the earlier proposed price of P36 per kilo, and the suggested retail price is currently capped at P38 per kilo.

On Monday, the Department of Agriculture (DA) declared a food security emergency for rice, giving it authority to release NFA reserves onto the market instead of holding the rice as a "buffer stock." The release of NFA stock is designed to tame stubbornly high rice prices, even though global rice prices have been easing and import prices should also have benefited from reduced tariffs.

The National Price Coordinating Council had urged the DA to declare a food security emergency for rice, citing "extraordinary" price increases.

Republic Act No. 12708 or the Agricultural Tariffication Act authorizes the Secretary of Agriculture to declare a food security emergency in the event of shortages or extraordinary price increases.

The NFA has said that its inventory is currently over 300,000 MT and needs to free up space for the upcoming harvest.

The NFA has set a buying price for palay, or unmilled rice, of P21- P23 per kilo for clean and dry grain, depending on location.

Mr. Untiveros added that the NFA has invited LGUs and government entities within the National Capital Region, including Cavite, to purchase NFA rice.

"We are waiting for the reply of the LGUs so we can ascertain those who are interested to participate," he said.

## Price cap on imported rice to take effect nationwide

THE Department of Agriculture (DA) said on Tuesday that the maximum suggested retail price (MSRP) scheme on imported rice will take effect nationwide starting Feb. 15.

Assistant Secretary and Spokesperson Arnel V. de Mesa said at a briefing that the DA will also lower the MSRP on imported rice to P55 per kilo for rice with broken-grain content of 5%.

Mr. De Mesa said the DA plans to further slash the MSRP on imported grain in the coming weeks following a review.

In a separate statement, Agriculture Secretary Francisco P. Tiu Laurel, Jr. said that the MSRP on rice could be lowered to below P50 per kilo by early March.

"After this reduction, we plan to lower it further to P52 a kilo by mid-February and then at P49 per kilo two weeks after. This should reflect the lower global prices of rice and the reduced tariff," Mr. Laurel added.

The MSRP on imported rice first took effect on Jan. 20 around Metro Manila. It was imposed after imported rice prices remained stubbornly elevated despite the reduction of the import duty for the grain, as well as the easing of global prices.

Executive Order No. 62 slashed tariffs on rice imports to 15% from 35% previously until 2028, it was issued by President Ferdinand R. Marcos, Jr. last year and took effect in July.

According to DA price monitors surveying Metro Manila markets, as of Feb. 1, a kilo of imported special rice sold for between P52 and P61 per kilo, compared with the P57 and P65 range a year earlier.

The price of imported premium rice stood at P51-P58 per kilo as of Feb. 1, easing from P54-P62 a year earlier.

On the other hand, imported well-milled rice is currently selling for between P40 and P52 per kilo, with imported regular-milled rice fetching P38-P48.

"The decision (to take the MSRP national) follows extensive consultations with rice industry stakeholders, including importers and retailers, to ensure that the price decrease will benefit consumers without negatively affecting the supply of rice," the DA said. — **Adrian H. Halili**

PHILIPPINE STAR FILE PHOTO

# Part makers expect 30% local-content rule to generate $500 million

A LOCAL-CONTENT requirement of 30% for vehicles assembled in the Philippines and tax incentives will potentially attract $500 million in investments in the auto industry, the Philippine Parts Maker Association (PPMA) said.

In a statement on Tuesday, PPMA said one of its proposals to the Department of Trade and Industry "is to mandate a 30% local content requirement for vehicles assembled in the Philippines, coupled with tax incentives for automakers that comply."

"This move could attract an estimated $500 million in investment and create over 50,000 new jobs in the auto parts sector. Additionally, it would reduce the country's annual auto parts import bill, which currently stands at $2.5 billion," it added.

According to the PPMA, the Philippines could emulate Vietnam's local-content rules that prioritize domestically produced auto parts.

"By requiring automakers to source a significant percentage of components locally, Vietnam has not only boosted its auto parts manufacturing sector but also created thousands of jobs and attracted billions in investment," it said.

Citing 2022 data, the PPMA said Vietnam's auto parts industry has contributed over $5 billion to its economy.

In the Philippines, the auto parts industry only contributes $1.2 billion annually.

"Vietnam's local-content policy is a game-changer. It has transformed their auto industry into a regional powerhouse, and we can achieve the same here in the Philippines," PPMA President Ferdinand I. Raquelsantos said.

"By implementing a robust local-content rule, we can create a sustainable ecosystem for our parts manufacturers, generate employment, and reduce our reliance on imports," he added.

He said the Philippines could double the output of its auto parts industry within five years.

"We have the talent, the technology, and the capability. What we need is a clear policy framework that incentivizes automakers to source locally and supports our manufacturers in meeting global standards," he added. — **Justine Irish D. Tabile**

# PCCI backs delaying new import fees for alternative sweeteners

THE PHILIPPINE Chamber of Commerce and Industry (PCCI) said it supports delaying the Sugar Regulatory Administration's (SRA) new import clearance fees for some non-sugar sweeteners.

"We are glad that the Sugar Regulatory Administration has listened to and considered valid the concerns of the manufacturers, and acted immediately on the postponement of the order's implementation," PCCI President Eunina V. Mangio said in a statement on Tuesday.

Sugar Order (SO) No. 6, originally set to take effect on Feb. 1, imposes a P60 per metric ton clearance fee on imported commodities covered by tariff codes 1701, 1702 and 1704. These include sucrose, lactose, glucose, maltose, maple syrup, honey and caramel, and flavored syrups.

Additionally, commodities under tariff code 1704 include chewing gum and white chocolate not containing cocoa.

Last week, the SRA postponed the effectivity of SO 6 after pushback from food and beverage manufacturers, industry associations and chambers of commerce, citing the potential impact on confectionery and beverage prices from the higher fees.

The PCCI said industry groups also called on the SRA to consult at more broadly and conduct a Regulatory Impact Assessment on any policy changes.

Groups also urged the regulator to adopt the Anti-Red Tape Authority's Ease of Doing Business approach, which calls for "simplified, efficient, and transparent governance."

"Such regulatory measure should not be to the detriment of other sectors in the industry that are legitimately doing business," Ms. Mangio added.

The SRA has said that the order is intended to help document and better monitor the entry of imported non-sugar sweeteners, and not to restrict their entry.

Domestic sugar producers had asked the SRA to regulate the entry of other sweeteners due to its threat to the sugar industry. — **Adrian H. Halili**

FREEPIK

# Japan travel firms name Cebu among top foreign destinations

A JAPANESE travel reservation application and a travel company named Cebu as among the top international destinations for the Japanese market, the Department of Tourism (DoT) said.

Cebu ranked third in the Area Category for the NEWT Awards and was the seventh most booked international destination during the New Year period by HIS.

The rankings in the NEWT Awards were determined by the total value of bookings on the NEWT app between Dec. 1, 2023 and Nov. 30, 2024.

"Cebu's top three ranking underscores its growing appeal among Japanese and international travelers, reinforcing its position as a premier island destination," the DoT said in a statement on Tuesday.

Aside from being the seventh most-booked international destination during the New Year period by travel company HIS, the island-province also ranked fifth in the "Rapid Growth" category after registering a 126.8% year-on-year increase in bookings.

"Japan has always been a vital partner in our tourism growth, and this award reaffirms the increasing interest of Japanese travelers in our destinations," Tourism Secretary Ma. Esperanza Christina G. Frasco said.

In 2024, Japan was one of the Philippines' largest source markets for visitors, ranking third after South Korea and the US.

According to the DoT, Japanese arrivals rose 22.84% last year to 444,528 visitors. — **Justine Irish D. Tabile**

CAMERON ARMSTRONG-UNSPLASH

**A BREATHTAKING experience, seeing whale sharks swim and feed just meters away in Oslob, Cebu.**

BW FILE PHOTO

# PHL seeks extension for $4-M World Bank loan financing Bangsamoro bases

THE PHILIPPINES is seeking a four-month extension for the $4-million project loan from the World Bank to transform former separatist guerilla bases into economic engines for the Bangsamoro Autonomous Region in Muslim Mindanao.

The extension requests seek a new closing date of June 30 from the original Feb. 28.

The Bangsamoro Camps Transformation Project will assist the development of six former Moro Islamic Liberation Front camps "with the aim of transforming them into peaceful and productive communities."

In the proposed extension, "project-level implementation schedule and budget estimates will also be revised by (implementing agency) Community and Family Services International (CFSI)," the World Bank said in a document uploaded to its website.

The adjusted closing date are expected to allow the project to meet its set targets and project development objective, it said.

The loan was initially approved on June 21, 2023.

"CFSI and the Bangsamoro Development Agency (BDA) will use this extension period to go beyond reporting outputs and focus on measuring and documenting the early outcomes of BCTP interventions," the World Bank said. — **Aubrey Rose A. Inosante**